

# GEORGIA: Leveling the Playing Field

*"Over the long-term, trade is the most certain path to lasting prosperity. Free and fair trade is the key engine of growth in the world. And as with spur growth in our own countries, we must continue to reduce the trade barriers that are an obstacle to growth in the developing world. "*

*-President George W. Bush  
June 10, 2004  
Savannah, Georgia*

**Trade Plays a Significant Role in Georgia's Growing Economy:** People from all over the world are buying Georgia products, which helps fuel Georgia's economy and create jobs.

- ✓ Georgia exported nearly \$16.3 billion in goods in 2003. Over the last four years, Georgia merchandise exports have grown 18.5% -- increasing four times as much as the nation's exports during the same period.
- ✓ Transportation equipment ranks as Georgia's top export category with over \$3.1 billion in sales last year. Computers and electronic products and chemical manufactures are also leading export industries.
- ✓ Agriculture is also very important to Georgia's export economy, with \$963.7 million in sales abroad. The state ranks first in the nation for exports of poultry and peanuts and fifth in the nation for exports of cotton.
- ✓ 15% of all manufacturing workers in Georgia were supported by U.S. manufactured goods exports in 2001. Jobs supported by exports are estimated to pay 13% to 18% more than the U.S. national average wage.
- ✓ 10,004 companies in Georgia exported goods in 2001; 83.3% were small and medium sized businesses.

**Georgia Benefits as President Bush Levels the Playing Field:** The Bush Administration has worked aggressively to level the playing field for Georgia's farmers, workers, and businesses by opening new markets, removing barriers that hurt Georgia's exporters, promoting Georgia exports, and enforcing our trade laws and combating unfair trade practices.

- **Opening New Markets for Georgia:** Georgia's farmers and manufacturers benefit as the Bush Administration opens new markets by:
  - **Expanding China's market for Georgia exports of cotton.** After two years of Administration engagement, China issued final safety certificates for biotech soybeans, cotton, corn and canola oil, assuring that China's quick-growing multi-billion dollar market for these U.S. agricultural products will remain open to Arkansas and other U.S. farmers. U.S. cotton sales to China have increased nearly 3200% over the last four years. This year is already a record for U.S. cotton exports to China with \$1.3 billion in sales from January through August. Georgia is the nation's 5<sup>th</sup> largest exporter of cotton, with nearly over \$249 million in sales abroad. Cotton is Georgia's top agricultural export.
  - **Opening new markets for Georgia poultry producers.** Georgia ranks 1<sup>st</sup> in the nation for exports of poultry, with \$226.5 in sales abroad. The Administration has worked diligently to open up new markets for Georgia poultry farmers.

- ◆ The free trade agreement that the Administration negotiated with Central America improves access to our partners' markets for Georgia pork, poultry, dairy, and beef. The American Farm Bureau estimates that this agreement could mean \$1.5 billion for American farmers and ranchers.
- ◆ The U.S.-Morocco Free Trade Agreement (FTA) negotiated by the Administration will open the Moroccan market to Georgia beef and poultry.
- ◆ The Administration negotiated an agreement with Russia that will ensure continued access to that market for Georgia pork, poultry, and beef.
- ◆ The Administration persuaded Russia to lift a sudden ban on hundreds of millions of dollars of U.S. poultry, thus preserving the poultry industry's largest export market, and persuaded Hong Kong to release \$23 million of U.S. poultry held at port in 2004 due to concerns over low pathogenic avian influenza. Restrictions were also lifted in Mexico and Japan.
- **Expanding markets for Georgia's exports to its fastest growing market -- the United Arab Emirates.** Georgia's exports of goods to the UAE over the last four years have surged from \$38 million to \$127 million -- an increase of 235%. This Administration signed a Trade and Investment Framework Agreement with the UAE that will deepen economic ties and encourage trade and investment.
- **Opening the Chinese market for Georgia's automakers:** Following the Administrations' high-level discussions with the Chinese, they significantly increased the number of vehicles that Georgia and other U.S. companies can sell to China and committed to significantly lower tariffs on auto parts and autos by up to 75%, helping Georgia's motor vehicle industry.
- **Expanding markets for Georgia's manufactured goods exported to Australia.** The U.S.-Australia Free Trade Agreement provides immediate benefits for Georgia's manufacturing sectors, including autos and auto parts, chemicals, electrical equipment and appliances and information technology by immediately eliminating duties that were limiting access to Australian markets.
- **Removing Barriers that Hurt Georgia's Exporters:** The Bush Administration's aggressive actions to remove barriers for American exporters help Georgia farmers, manufacturers, high-tech industry and workers by:
  - **Eliminating tariffs for Georgia's exports of information technology to Australia, Morocco, Singapore, Bahrain, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic.** Computers and electronic products rank as Georgia's second largest export category with nearly \$2.5 billion in sales abroad.
  - **Reducing barriers for information technology exports** through intensive discussions with the Chinese, they eased import requirements on information technology products, affording U.S. companies greater access to tariff reductions and eliminations to improve the market for U.S. goods. Georgia

exported nearly \$110 million in computer and electronic products to China in 2003.

- **Duty-free exports for Georgia's chemical manufacturers** for pharmaceuticals, plastics and resins sold to Australia, Chile, Singapore, Morocco, Bahrain, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. Georgia's chemical industry exported over \$2 billion to the world in 2003.
- **Reducing barriers and increasing exports to Chile through the U.S.-Chile Free Trade Agreement.** The FTA with Chile, secured by this Administration, removed trade barriers and secured access to the Chilean market for many manufacturing and agricultural products. For example, Chile agreed to eliminate its 85% tax on luxury vehicles as part of the agreement and eased restrictions on a variety of fruits and vegetables.
  - For goods exporters, we are already seeing good results from this FTA: Overall exports to Chile are up 30% January-August this year over the same period last year.
- **Removing barriers for Georgia farmers and ranchers.** China made changes to its meat and poultry labeling regime at the Administration's urging, removing a non-tariff barrier to Georgia goods.
- **Removing barriers for Georgia textile producers.** Relaxing India's burdensome import certification requirements on American textiles exported to India.
- **Enforcing Trade Laws and Combating Unfair Trade Practices:** The President's enforcement of trade laws and vigorous pursuit of allegations of unfair trade have produced real results for Georgia, including:
  - **Ensuring a level playing field for American textile producers.** The Administration took action to protect the textile and apparel industries from surges in imports from China that cause market disruptions. It accepted four petitions filed by the textile and apparel industries for a WTO China textile safeguard -- the first ever against the Chinese -- to give Georgia and other American workers an opportunity to adjust.
  - **Ensuring fair access to China for Georgia semiconductors** by bringing the first WTO case against China to ensure fair tax treatment for U.S. semiconductors in China, the fastest growing semiconductor market. Within months, China agreed to our demands, ensuring that Georgia and other U.S. exporters have fair access to a market worth over \$2 billion to American manufacturers.
  - **Ensuring fair access to Mexico for Georgia telecommunications providers.** As a result of a case brought by the Administration, the WTO overruled Telmex's government-granted monopoly on negotiating rates to connect calls into Mexico. U.S. industry and workers estimate saving hundreds of millions of dollars a year as a result of this WTO victory.
  - **Ensuring fair access to India and the Philippines for Georgia's auto parts** by successfully challenging India and the Philippines at the WTO against unfair restrictions on imports of U.S. auto parts.

